

CITY OF LANSING

HUMAN RELATIONS AND COMMUNITY SERVICES DEPARTMENT

CALCULATION OF LIVING WAGE 2008

Chapter 206.24 of the City of Lansing Code of Ordinances defines a Living Wage as follows:

Section C:

(12) "Living wage" means an hourly wage rate which is equivalent to 125 percent of the federal poverty line on an annual basis when calculated based on 40 hours per week, 50 weeks per year; provided however, that costs paid by the employer for an employee health care benefits may be counted toward up to one-fifth of the hourly rate payable to the employee.

The following calculations are based on the 2008 U.S. Department of Health and Human Services Poverty Guidelines. It should be noted that these figures are different than "poverty thresholds" that are issued by the Census Bureau.

The 2008 Federal Poverty Guideline for a family of four (4) is:

\$21,200.00.

One hundred twenty-five percent (125%) of the figure above is:

\$26,500.00

A forty hour week for fifty weeks a year (based on Section 206.24 C (12)) is equivalent to 2,000 hours per year. Using 2,000 hours as the work year, an hourly figure is derived by dividing the annual figure by 2,000 hours. The resulting figure is:

\$13.25 Per Hour